



## COMMODITY FUTURES TRADING COMMISSION

### Agency Information Collection Activities Under OMB Review

**Agency:** Commodity Futures Trading Commission.

**Action:** Notice.

**SUMMARY:** In compliance with the Paperwork Reduction Act of 1995, 44 U.S.C.

3501 et seq. (PRA), this notice announces that the Information Collection Request (ICR) abstracted below has been forwarded to the Office of Management and Budget (OMB) for review and comment. The ICR describes the nature of the information collection and its expected costs and burden.

**DATES:** Comments must be submitted on or before [**30 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER**].

**ADDRESSES:** Comments regarding the burden estimated or any other aspect of the information collection, including suggestions for reducing the burden, may be submitted directly to the Office of Information and Regulatory Affairs (OIRA) in OMB, within 30 days of the notice's publication, by email at [OIRAsubmissions@omb.eop.gov](mailto:OIRAsubmissions@omb.eop.gov). Please identify the comments by OMB Control Nos. 3038-0068, 3038-0083, and 3038-0088.

Please provide the Commodity Futures Trading Commission ("CFTC" or "Commission") with a copy of all submitted comments at the address listed below. Please refer to OMB Reference Nos. 3038-0068, 3038-0083, and 3038-0088, found on <http://reginfo.gov>.

Comments may also be mailed to the Office of Information and Regulatory Affairs, Office of Management and Budget, Attention: Desk Officer for the Commodity Futures Trading Commission, 725 17th Street, NW., Washington, DC 20503, and to the

Commission through its website at <http://comments.cftc.gov>. Follow the instructions for submitting comments through the website.

Comments may also be mailed to: Christopher Kirkpatrick, Secretary of the Commission, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street, NW., Washington, D.C. 20581 or by Hand Delivery/Courier at the same address.

A copy of the supporting statements for the collection of information discussed above may be obtained by visiting <http://RegInfo.gov>. All comments must be submitted in English, or if not, accompanied by an English translation. Comments will be posted as received to <http://www.cftc.gov>.

**FOR FURTHER INFORMATION CONTACT:** Gregory Scopino, Special Counsel, Division of Swap Dealer and Intermediary Oversight, Commodity Futures Trading Commission, (202) 418-5175, email: [gscopino@cftc.gov](mailto:gscopino@cftc.gov), and refer to OMB Control Nos. 3038-0068, 3038-0083, and 3038-0088.

**SUPPLEMENTARY INFORMATION:**

Title: Confirmation, Portfolio Reconciliation, Portfolio Compression, and Swap Trading Relationship Documentation Requirements for Swap Dealers and Major Swap Participants (OMB Control Nos. 3038-0068, 3038-0083, and 3038-0088). This is a request for an extension of a currently approved information collection.

Abstract: On September 11, 2012 the Commission adopted Commission regulations 23.500 - 23.505 (Confirmation, Portfolio Reconciliation, Portfolio Compression, and Swap Trading Relationship Documentation Requirements for Swap

Dealers and Major Swap Participants)<sup>1</sup> under sections 4s(f), (g) and (i)<sup>2</sup> of the Commodity Exchange Act (“CEA”). Commission regulations 23.500 - 23.505 require, among other things, that swap dealers (“SD”)<sup>3</sup> and major swap participants (“MSP”)<sup>4</sup> develop and retain written swap trading relationship documentation. The regulations also establish requirements for SDs and MSPs regarding swap confirmation, portfolio reconciliation, and portfolio compression. Under the regulations, swap dealers and major swap participants are obligated to maintain records of the policies and procedures required by the rules.<sup>5</sup> Confirmation, portfolio reconciliation, and portfolio compression are important post-trade processing mechanisms for reducing risk and improving operational efficiency. The information collection obligations imposed by the regulations are necessary to ensure that each swap dealer and major swap participant maintains the required records of their business activities and an audit trail sufficient to conduct comprehensive and accurate trade reconstruction. The information collections contained in the regulations are essential to ensuring that swap dealers and major swap participants document their swaps, reconcile their swap portfolios to resolve discrepancies and disputes, and wholly or partially terminate some or all of their outstanding swaps through regular portfolio compression exercises. The collections of information are mandatory. An agency may not conduct or sponsor, and a person is not required to respond to, a

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<sup>1</sup> 17 CFR 23.500-23.505.

<sup>2</sup> 7 U.S.C. 6s(f),(g) & (i).

<sup>3</sup> For the definition of SD, see section 1a(49) of the CEA and Commission regulation 1.3(ggg). 7 U.S.C. 1a(49) and 17 CFR 1.3(ggg).

<sup>4</sup> For the definitions of MSP, see section 1a(33) of the CEA and Commission regulation 1.3(hhh). 7 U.S.C. 1a(33) and 17 CFR 1.3(hhh).

<sup>5</sup> SDs and MSPs are required to maintain all records of policies and procedures in accordance with Commission regulation 1.31, including policies, procedures and models used for eligible master netting agreements and custody agreements that prohibit custodian of margin from re-hypothecating, repledging, reusing, or otherwise transferring the funds held by the custodian.

collection of information unless it displays a currently valid OMB control number. The Commission did not receive any comments on the 60-day Federal Register notice, 80 FR 73731, dated November 25, 2015.

Burden Statement: The Commission is revising its estimate of the burden for this collection to reflect, among other things, the current number of provisionally registered SDs and MSPs.<sup>6</sup> The respondent burden for this collection is estimated to be as follows:

- OMB Control No. 3038-0068 (Confirmation, Portfolio Reconciliation, and Portfolio Compression Requirements for Swap Dealers and Major Swap Participants).

Number of Registrants: 105.

Estimated Average Burden Hours Per Registrant: 1,282.5.

Estimated Aggregate Burden Hours: 134,662.5.

Frequency of Recordkeeping: As applicable.

- OMB Control No. 3038-0083 (Orderly Liquidation Termination Provision in Swap Trading Relationship Documentation for Swap Dealers and Major Swap Participants).

Number of Registrants: 105.

Estimated Average Burden Hours Per Registrant: 270.

Estimated Aggregate Burden Hours: 28,350.

Frequency of Recordkeeping: As applicable.

- OMB Control No. 3038-0088 (Swap Trading Relationship Documentation Requirements for Swap Dealers and Major Swap Participants).

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<sup>6</sup> The 60-day notice indicated that there were 106 Swap Dealers and Major Swap Participants. There are 105 Swap Dealers and Major Swap Participants currently registered with the Commission.

Number of Registrants: 105.

Estimated Average Burden Hours Per Registrant: 6,284.

Estimated Aggregate Burden Hours: 659,820<sup>7</sup>

Frequency of Recordkeeping: As applicable.

There are no capital costs or operating and maintenance costs associated with this collection.

(Authority: 44 U.S.C. 3501 et seq.)

Dated: February 1, 2016

Robert N. Sidman,

Deputy Secretary of the Commission.

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<sup>7</sup> The 60-day notice contained an arithmetic error, providing for 135,945 estimated aggregate burden hours, instead of the correct total of 659,820, which is based on the 6,284 burden hours per registrant reflected in the 60-day notice for OMB Control No. 3038-0088.

